34. PENSIONS AND OTHER RETIREMENT OBLIGATIONS

The Group has made provision for pension and provident schemes covering substantially all employees. All eligible employees are members of defined contribution schemes administered by third parties. The assets of the schemes are held in administered trust funds separated from the Group's assets. Scheme assets primarily consist of listed shares, bonds and cash. The South African funds are governed by the Pensions Fund Act of 1956.

35. MEDSCHEME PROVIDENT FUND AND MEDSCHEME EMPLOYEES PROVIDENT FUND

These funds are defined contribution plans. Contributions are fully expensed during the year in which they are funded.

Contributions of 7.6% of retirement funding remuneration are paid by the employer and contributions paid by the employee range between 0% and 12% of retirement funding remuneration. In the interest of the employee members of these funds, the trustees are encouraged to obtain an independent actuarial assessment of the performance of the funds.

36. CONTINGENT CONSIDERATION

	Group		Company	
	June 2016 R'000	June 2015 R'000	**June 2016 R'000**	June 2015 R'000
Contingent consideration on Glen Eden Trading 58 (Pty) Ltd	**134 893**	–	**134 893**	–

This is the estimated fair value of the contingent consideration relating to the acquisition of Glen Eden Trading 58 (Proprietary) Limited (refer to note 4 and 9.10). The fair value has been assessed at year-end. The contingent consideration is highly probable in the 2017 financial year, based on IAS 32.

37. CONDITIONAL FINANCIAL OBLIGATION

	Group		Company	
	June 2016 R'000	June 2015 R'000	**June 2016 R'000**	June 2015 R'000
Conditional financial obligation	**727 960**	–	**727 960**	–

Sanlam acquired an effective 28.7% interest in ACT Healthcare Assets (Proprietary) Limited, for R703 million. The acquisition agreement provides for a performance warranty in AfroCentric Health (Pty) Ltd, any breach of which, entitles Sanlam to claim a maximum additional 4.3% interest in the shares of ACT Healthcare Assets (Proprietary) Limited in satisfaction of such claim. AfroCentric has provided a performance warranty based on AfroCentric Health Group's full year headline earnings (excluding certain items set out in the Subscription Agreement) for the period ended 30 June 2017 shall be no less than R330 million. Should a shortfall exist Sanlam has the option to elect cash or shares that is calculated per the acquisition agreement. In the event that the claim calculates at an amount in excess of 4.3%, Sanlam has a right to require AfroCentric Investment Corporation Limited to repurchase the shares owned by Sanlam at Sanlam's initial cost plus interest at the 90 day deposit rate from the date of investment to the date of redemption. The Board do not expect such conditions to arise, but International Accounting Standards (IAS 32) dictates the disclosure of such circumstances under Non-current liabilities, rather than Capital and reserves. The contra entry has been included in a Conditional put option reserve. The conditional financial obligation is accounted for in terms of IAS 32.23, which requires the conditional financial obligation to be recognised at the redemption amount and does not take into account the probability of the conditional put option vesting (and, if so, the likelihood of it being exercised) and its fair value.